

## Canadian and US Vehicle Sales — March 2020

### CANADA

**Canadian auto sales posted a severe drop of almost 47% y/y (nsa) in March.** The deceleration in sales relative to February similarly saw a 47% m/m decline on a seasonally adjusted basis. This represents an annualised sales rate of just above 1 mn units. (Recall, annual sales in 2019 were 1.92 mn units.) First-quarter data has also been provided by automakers, which provides a more accurate picture of trends given monthly data reflects best estimates in absence of more frequent reporting by automakers. The first quarter this year saw a 16% decline relative to the same period last year on a seasonally adjusted basis. At present, economic fundamentals and policy conditions that typically drive auto sales are dwarfed by impacts of the COVID-19 outbreak. As elaborated [here](#), we expect auto sales to deteriorate far more substantially over the next quarter before a recovery takes hold later in the year. We anticipate annual sales of 1.55 mn units subject to further downside risk if the pandemic lingers beyond the second quarter.

### UNITED STATES

**US auto sales saw a substantial decline of almost 38% y/y (nsa) in March.** The sales rate slowed by 32% m/m on a seasonally adjusted basis at an annualised pace of 11.4 mn units. (Recall, annual sales were 16.9 mn units in 2019.) First-quarter results reported by automakers show an 11% decline relative to the same period last year on a seasonally adjusted basis. Even though government-mandated shutdowns were later in the month and not as broad-based as Canada, the impact of COVID-19 on consumer behaviour is clearly impacting auto sales significantly already. We expect substantially worsened sales over the next quarter as the pandemic escalates across the country. We forecast annual sales of 13.4 mn units by year-end, subject to further deterioration should the outbreak endure beyond the second quarter.

### CONTACTS

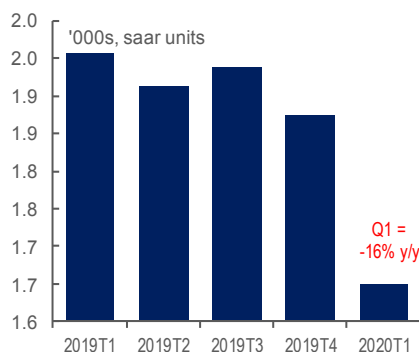
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### Canada & US Vehicle Sales

	Feb '20	Mar '20	YTD
	(y/y % change, NSA)		
<b>Canada</b>	2.1	-46.9	-20.0
<b>US</b>	7.8	-37.9	-12.7
	(m/m % change, SAAR)		
<b>Canada</b>	4.2	-47.0	-15.6
<b>US</b>	-1.0	-32.1	-10.8

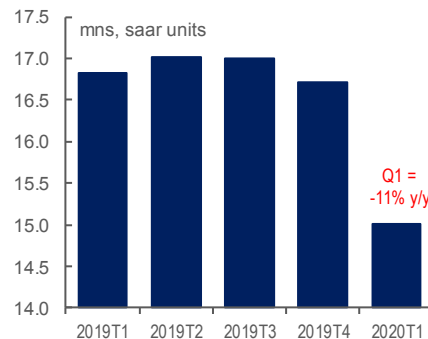
Sources: Scotiabank Economics, Wards Automotive, DesRosiers Automotive Consultants Inc..

Canadian Light Vehicle Sales



Sources: Scotiabank Economics, DesRosiers Automotive Consultants Inc.

US Light Vehicle Sales



Sources: Scotiabank Economics, Ward's Automotive Group.

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